
From: Andrew Kato
To: Miyamoto, Faith
Sent: 2/16/2010 5:16:10 PM
Subject: Re: FW: Honolulu Rail Project

Faith,

The problem I am running into is not about locating the table; the problem is trying to find a justification for how those values in the table were determined. The draft EIS is using nonstandard and unspecified methods to adjust the values in the official 2005 DBEDT IO table file. My question is regarding the equations and parameter values used to arrive at the employment multiplier values listed in the footnote to table 4-33. No detailed explanation is given for how the unofficial RTD numbers were created (no 2008 adjustment factors are published by DBEDT, so we would need them from RTD to evaluate 4-33). There are at least two parameters that must adjust (inflation adjustment and productivity), so the system lacks a unique solution for us to back out mathematically. Even if a different methodology will be used to compute the final EIS values, we are interested in the assumptions used in the draft EIS because there is nothing else published by RTD for us to work with.

The reason we are interested in the assumptions, equations, and parameters used by RTD is because the job estimates are using final demand multipliers that exceed the historical norms for heavy civil engineering and construction by nearly 1/3. Using verified values that are actually part of the official IO table for 2008 through 2020 would result in a drop of job creation by a correspondingly large amount. This would dramatically affect the stimulus effect of the rail project, which is of primary concern to us since we are trying to figure out how much labor income and job creation to add to our State economic forecast coming from the rail project. We would like to make use of information provided by the City, but the size of the discrepancy between official IO multipliers and what is used in the RTD table has raised doubts about what is actually in the table.

If RTD is able to provide the technical rationale for the assumptions used in computing the unofficial multipliers indicated by 4-33, it would be much appreciated. Thank you very much for your assistance in this matter.

Sincerely,

Andrew Kato
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----- Original Message -----

From: "Miyamoto, Faith" <fmiyamoto@honolulu.gov>
Date: Tuesday, February 16, 2010 4:39 pm
Subject: FW: Honolulu Rail Project
To: akato3@hawaii.edu

> Hi Andrew –

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> To respond to your question regarding Table 4-33 Employment Effects in the Draft EIS, you are directed to the Economic Technical Report that can be viewed at www.honolulutransit.org. It can be found in the Library, Draft EIS. Please give me a call if you have problems accessing this report.

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> For your information, construction-related employment will be estimated using a different methodology for the Final EIS.

- > Faith Miyamoto
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- > City & County of Honolulu
- > (808) 768-8350
- > fmiyamoto@honolulu.gov

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